

7 DEC 1960

MEMORANDUM FOR: Deputy Director of Central Intelligence

SUBJECT : GEHA, UBLIC Premium Returns

1. This memorandum contains a recommendation for your approval. Such recommendation is contained in paragraph (4).

2. The United Benefit Life Insurance Company (UBLIC) has returned to GEHA \$75,000 in the form of return UBLIC premiums for the insurance year ending 31 July 1960. The GEHA Board of Directors, at its meeting of 6 December 1960, passed a resolution for the disposition of these return premiums. The resolution calls for the return to employee UBLIC policy-holders as of 1 August 1960, the amount of 1/3 of the premiums paid by each policy-holder during the period of 1 August 1959 to 31 July 1960. This will amount to not more than a total of \$66,897.48. This will leave a balance of not less than \$8,102.52 which, minus the sum of \$5,850.00 for the reimbursement to the Agency, the payment equivalent of a GS-7 clerk, would leave not less than \$2,252.52 to be placed in the UBLIC reserve. There is attached a copy of the notice to each policy-holder.

3. This action for the disposition of the return premiums from UBLIC is in conformity with previous resolutions of the Board approved by the DDCI on 3 December 1958 and 11 November 1959. Further, this action is in conformity with a resolution made by the Board of Directors on 5 September 1958 which requires that not more than 75% of return premiums in any insurance year shall be returned to the policy-holder until such time as the UBLIC reserve has reached a figure of \$100,000. The current reserve, as of 1 December 1960, is approximately \$121,547.48. This reserve, when supplemented by the balance of not less than \$2,252.52 as indicated above, would bring the total reserve figure to about \$123,800.00.

**Chairman, Board of Directors
GEHA**

DISCUSSION

Date: _____

7 DEC 1960

Date _____

Date _____

1 - Director of Personnel

Dear UBLIC Policyholder:

The Board of Directors of GEHA are pleased to provide you with the enclosed check which represents a 33 1/3% return of the premiums which you have paid on your UBLIC Insurance Plan _____ during the period 1 August 1959 to 31 July 1960, both dates inclusive.

This Agency and the Board of Directors of GEHA have consistently endeavored to provide Agency employees maximum insurance coverage at minimum rates. The enclosed return of premiums represents one tangible success in this direction.


President, GEHA Incorporated

STATINTL

OGC 60-1597a

14 December 1960

MEMORANDUM FOR: Deputy Director of Central Intelligence

SUBJECT: GEHA, UELIC Premium Returns

1. This memorandum is for information only.

2. In 1958 when a proposal for premium returns was advanced this office noted a number of points on which difficulty could develop in the future. These were (a) the possibility that all GEHA members might assert their right to refunds even though they are not UELIC policyholders; (b) the possibility that former policyholders who had abandoned their policies prior to the significant date might claim a right to refund; (c) claims could arise with respect to deceased policyholders; (d) possible impact of the action on GEHA's entitlement to Federal and D. C. tax exemption. We noted, however, that the proposal to make refunds was a matter for policy decision. We believe the situation is unchanged this year.

3. The last paragraph of [] memorandum, he advises, refers to (a) the instruction of the DDCI several years ago that the DDCI wants to pass on any proposal for premium refunds, and (b) the GEHA-CIA relationship established by the DD/S's memorandum of 13 May 1957.

STATINTL

4. A copy of the resolution of the Board of GEHA is attached.

LAWRENCE R. HOUSTON
General Counsel

Att-Resolution

OGC:RHL:pbj:jeb

O-Security

1-DDCI

1-ER

2-DD/S

1-CGC

1-D/Pers

The following resolution was adopted by the Board of Directors of CEHA, Inc., at its regularly scheduled meeting of December 5, 1960:

"RESOLVED, that a return of 33 1/3% of the premiums paid during the period of 1 August 1959 to 31 July 1960, both dates inclusive, will be made to UBLIC policyholders of record as of 31 July 1960."

17 May 1960

25X1 MEMORANDUM FOR: [REDACTED]

SUBJECT : Appointment as a Member of the
Board of Directors, GEHA

25X1 The Board of Directors is pleased to approve your appointment as a Member of the Board of Directors, GEHA, vice Mr. [REDACTED] who submitted his resignation because of an overseas assignment. You will be advised shortly of the next meeting of the Board of Directors of GEHA and in the meantime, you may wish to familiarize yourself with the GEHA Insurance Programs and methods of operation. I would suggest that you contact [REDACTED] President of GEHA and the Chief of the Benefits and Services Division, Office of Personnel, 25X1 2501 Curie Hall, [REDACTED]

[REDACTED]

Chairman, Board of Directors
GEHA

25X1

SECRET

CONFIDENTIAL

17 May 1960

25X1
[Redacted]
203 Admin Building

Dear John:

Your memorandum of 21 April 1960 tendering your resignation as a Member of the Board of Directors, GEHA, because of an overseas assignment has been received with regret. The Board will miss your good counsel and active service that has been your contribution during these past several years.

The past several years have posed some most serious problems to the GEHA Board of Directors, particularly the implementation of the program under the Federal Employees Health Benefits Act of 1959. Your service as a member of the Board in satisfactorily resolving these problems has been of great benefit to your fellow Board members but more particularly, to the employees of the Agency for whom the GEHA Program was established.

The Board Members join me in wishing you every success on your overseas assignment.

With best regards from the Board,

SIGNED

[Redacted]
Chairman, Board of Directors
GEHA

25X1

CONFIDENTIAL

21 April 1960

MEMORANDUM FOR:
Chairman, GEHA Board of Directors

25X1

1. This is to advise that due to an overseas assignment to begin in June of this year, I will be unable to serve longer as an active member of the GEHA Board of Directors, and hereby tender my resignation.

2. Over the period that the GEHA Board has been active, progress in the Agency's insurance programs has been considerable and it has been indeed a significant honor to have played some small part in support of the Board's program.

3. My association with yourself and other members of the Board has been most gratifying and I regret that I will be unable to complete the elected period.

25X1

21 April 1960

MEMORANDUM FOR:

Chairman, GEHA Board of Directors

25X1

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SIGNED

25X1

STATINTL

Approved For Release 2003/10/22 : CIA-RDP86-00964R000100070022-6

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